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Contact: Traci Gleason,
tgleason@mobudget.org*

Legislature Can Consider Better Choices to Balance the Budget
Statement from Amy Blouin, Missouri Budget Project Executive Director

The Missouri Senate faces difficult decisions in their negotiations for the fiscal year 2018 budget. So far, legislators have posed a false choice, pitting vulnerable populations against one another to balance a budget suffering from faulty tax policy. Now is the time for the Missouri Senate to lead Missouri along a better path and revisit tax policies that do not generate economic growth, but greatly cost seniors and Missourians with disabilities.

Legislators have many options to enact rational, common-sense tax policies that would enable our great state to protect vulnerable Missourians AND prevent more fiscal pain in the future:

Bring the “Timely Filing Discount” in line with other states: Missouri’s “Timely Filing Discount” allows retailers to retain a portion of the sales and use taxes they collect from customers if they remit those taxes to the state in a timely manner. This “vendor discount” is the second most generous in the country, and **cost Missourians \$114 million in 2016**. Bringing this discount in line with other states would allow our state to make much needed investments in Missourians that would strengthen our quality of life and economic competitiveness.

Repeal the business income deduction provision from SB 509: This provision is widely recognized across the political spectrum as bad tax policy that simply creates “winners & losers,” while doing nothing to stimulate economic growth. The provision will cost as much as \$200 million a year when fully implemented.

Fix the hole created by corporate tax changes: Corporate tax revenue has declined by 60% since FY 2015, and a significant part of the decline is due to changes to the way corporate taxes are calculated for multi-state companies. This decline is driving much of the current budget problem.

The list could go on. Now is the time for the Missouri Senate to lead Missouri along a better path and revise tax policies that do not generate economic growth so that our state can invest in our greatest asset – our people.

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